

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE WESTERN DISTRICT OF PENNSYLVANIA**

IN RE:	Case No.: 18-21803-GLT
FYBOWIN, LLC, <i>et al.</i> , <sup>1</sup>	Chapter 11
Debtors.	(Jointly Administered)
FYBOWIN, LLC, <i>et al.</i> , Movants,	Doc. No.
-vs-	Related Doc. No.
THE HUNTINGTON NATIONAL BANK; FC MARKETPLACE, LLC A/K/A FUNDING CIRCLE USA, INC.; GORDON FOOD SERVICES, INC.; NATIONAL FUNDING, INC.; SMALL BUSINESS TERM LOANS, INC. A/K/A BFS CAPITAL; WELLS FARGO BANK N.A. D/B/A WELLS FARGO DEALER SERVICES; ON DECK CAPITAL; S&T BANK; WESTMORELAND COUNTY TAX CLAIM BUREAU; PNC BANK; INTERNAL REVENUE SERVICE; U.S. ATTORNEY'S OFFICE WESTERN DISTRICT OF PENNSYLVANIA; DEPARTMENT OF REVENUE COMMONWEALTH OF PENNSYLVANIA; PENNSYLVANIA LIQUOR CONTROL BOARD, FOOD & DRUG ADMINISTRATION; OFFICE OF THE UNITED STATES TRUSTEE; CINTAS CORPORATION; CONTINENTAL/NORTH SHORE II, L.P.; JACKSON WELDING SUPPLY COMPANY; LEASE CORPORATION OF AMERICA; RESTAURANT TECHNOLOGY, INC.; SOFRANKO ADVISORS; THE BUCCINI/POLLIN GROUP; ALWAYS A HOME GAME; BEVERAGE DISTRIBUTORS, INC.; GALLI BEER DISTRIBUTING, INC.;	

<sup>1</sup>. The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, include: Fybwin, LLC (3207); Rivertowne Growth Group, LLC (1127); Fybo Management, Inc. (4430); Fybomax, Inc. (8955); and Occupy Rivertowne, LLC (5983).

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GLENWOOD BEER DISTRIBUTORS, INC.; GREENSBURG BEVERAGE, INC.; KEG LOGISTICS; MEADOWBROOK BEVERAGE COMPANY D/B/A STOCKERTOWN BEVERAGE CENTER; MID-STATE BEVERAGE; PAYCOM PAYROLL, LLC; PEPSI BEVERAGES COMPANY; PRAXAIR; PREMIUM BEVERAGE SUPPLY, LTD; SULA SIMCHA UNLEASHED, LLC; SYSCO PITTSBURGH, LLC; UNA INC. T/D/A NITTANY BEVERAGE; WILLAMETTE VALLEY HOPS; CHRISTIAN H. FYKE; JOSEPH BOROS, JR.; AMELIA BOROS,

Respondents.

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### **REPORT OF AUCTION**

#### **PLEASE TAKE NOTICE OF THE FOLLOWING:**

On September 14, 2018, the Court entered an order approving bidding procedures and deadlines for objections to the sale of property and for the date of the hearing on the sale. [Docket No. 168] (the “Bidding Procedures Order”).

Pursuant to the Bidding Procedures Order, an auction (the “Auction”) with respect to a sale of the Debtors’ Assets (as defined in the Bidding Procedures Order) was scheduled for October 12, 2018 at 9:30 a.m. at the office of counsel for the Debtors, Whiteford, Taylor & Preston, LLP, 200 First Avenue, Third Floor, Pittsburgh, PA 15222.

#### **The Auction was held with respect to:**

- (a) The assets of Rivertowne Growth Group often referred to as the Rivertowne Brewery & Tasting Room, located at 5578 Old William Penn Highway, Export, PA 15631 (the “Brewery”),
- (b) Certain assets of Fybowin, LLC comprising primarily of contracts and leases,
- (c) The assets of Fybo Management located in what is often referred to as the Rivertowne Inn, located at 500 Jones Street, Verona, PA 15147 (“RT Verona”), and
- (d) The assets of Fybomax located in Rivertowne’s Monroeville restaurant, located at 312 Center Road, Monroeville, PA 15146 (“RT Monroeville”), which location also includes the mircobrewery.

**The Auction was adjourned with respect to:**

- (a) The assets of Fybowin, LLC located in its bar/restaurant located at 3376 North Shore Drive, Pittsburgh, PA 15212 ("RT North Shore"), and
- (b) The assets of Fybo Management, Inc., located in what is often referred to as the North Huntington Pub & Grille located at 14860 U.S. Route 30, North Huntington, PA 15642 ("RT North Huntington").

Debtors Fybowin and Fybo Management have both received inquiries from parties interested in the restaurants but neither were able to present an offer by the bid deadline. S&T Bank has expressed a desire to credit bid its entire claim with respect to the RT North Shore assets purportedly securing its claim at the Sale Hearing. The Debtors may reschedule the Auction of the assets at the RT North Shore and RT North Huntington if those parties who have expressed an interest can demonstrate meaningful progress within the very near term.

**The Auction Outcome:**

There was competitive bidding for the Brewery, RT Verona and RT Monroeville. At the conclusion of each auction for these locations, it was determined that the highest and best offers (the "Successful Bids") were submitted by Brewery Acquisition Company, LLC and Helltown Brewing, LLC, (collectively the "Successful Bidder"). The cash consideration of the Successful Bids (exclusive of assumption of liability, cure, and other intangible consideration) are summarized below:

<b>Location</b>	<b>Cash Component of Successful Bid</b>
<b>Brewery</b>	\$1,750,500
<b>RT Verona</b>	\$218,500
<b>RT Monroeville</b>	\$123,250
<b>Total:</b>	<b>\$2,092,000</b>

The asset purchase agreement for the Successful Bidder ("Successful Bid APA") and the proposed sale order approving the Successful Bid are in the process of being finalized by and among the respective Debtors, the Successful Bidder, and other parties joining in the Successful Bid APA solely to convey certain non-Debtor assets to the Successful Bidder. The Successful Bid APA will include information relating to the contracts being assumed and assigned as well as information relating to allocation of sale proceeds.

**Non-debtor assets owned by insiders to the Debtors were included in the sale as those assets were necessary to preserve the enterprise value of the Debtors and induce parties to bid on the Debtors' operations/restaurants. Notably, real property and intellectual property interests owned by insiders were included in the sales to the Successful Bidder. The owners of the non-debtor assets are seeking third party waivers in exchange for, among other things, the value of the assets they have contributed, the approval of which will be sought at the Sale Hearing.**

**The Sale Hearing with respect to the Debtors' assets will take place on October 16, 2018, at 10:30 AM EST**, before Judge Gregory L. Taddonio in Courtroom A, 54th Floor, U.S. Steel Tower, 600 Grant Street, Pittsburgh, PA 15219. At the Sale Hearing, the Debtors will present details of the sale process, the Auction, and the Successful Bids to the Bankruptcy Court for approval. Presentation of the Successful Bids does not constitute the Debtors' acceptance of such bid. The Debtors will have accepted the terms of the Successful Bids only when such bid has been approved by the Bankruptcy Court. Fybowin, LLC and Fybo Management will likewise discuss their respective intentions with respect to RT North Shore and RT North Huntington at the Sale Hearing.

In an attempt to facilitate an efficient Sale Hearing, if any party wishes to object to the consummation of the sale of the Debtors' Assets pursuant to the Successful Bidder APA, the subject of which objection relates solely to the identity of the Successful Bidder or the specific transaction contemplated in the Successful Bidder APA, Debtors request that such objection be filed with the Court and served on the Objection Recipients by no later than 11:59 pm on October 15, 2018. If a party wishes to secure additional information that may weigh into its decision to file an objection or responsive pleading, please contact Daniel Schimizzi at [dschimizzi@wtplaw.com](mailto:dschimizzi@wtplaw.com) or by telephone at 412-275-2401 or Michael Roeschenthaler at [mroeschenthaler@wtplaw.com](mailto:mroeschenthaler@wtplaw.com) or by telephone at 412-618-5601.

Respectfully submitted:

Date: October 15, 2018

WHITEFORD, TAYLOR & PRESTON, LLP

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